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September 26, 2005

VIA HAND DELIVERY & EMAIL

Charles L. A. Terreni, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, S.C. 29210

RECEIVED
2005 SEP 26 PM 4: 09
SC PUBLIC SERVICE
COMMISSION

RE: Midlands Utility, Inc.

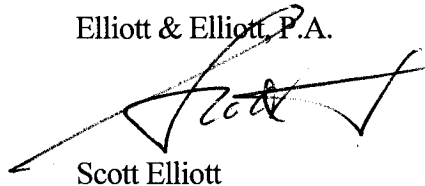
Dear Mr. Terreni:

Enclosed please find an original and eleven copies of a Reply to Response of Office of Regulatory Staff for filing on behalf of Midland Utility. Please return the clocked copy in the stamped self-addressed envelope enclosed for your convenience.

If you or counsel should have questions, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jcl

Enclosure

c: Florence P. Belser, Esquire
Wendy B. Cartledge, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2004-297-S

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 COMMISSION

IN RE: Application of Midlands Utility, Inc.) for an Approval of New Schedule of Rates) and Charges for Sewage Service provided) to its customers in Richland, Lexington,) Fairfield and Orangeburg Counties.))))))	REPLY TO RESPONSE OF OFFICE OF REGULATORY STAFF
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Midlands Utility, Inc. ("Midlands") by and through its undersigned counsel, would herein Reply to the Response of the Office of Regulatory Staff to the Midlands Petition for Declaratory Order.

1. Without citing legal authority for its position, ORS now argues that Midlands must be required to provide an additional notice to its customers meeting certain standards set out by the ORS in its Response of September 7, 2005, before Midlands may charge the rates approved by this Commission in Order No. 2005-168.

2. The ORS acknowledges a) that Midlands sought to establish a new collection-only sewer charge by this Commission in Docket 2001-380-S; b) that this Commission approved a collection-only sewer charge for Midlands in Order No. 2002-138 (ORS response paragraph 1); and c) that this Commission granted Midlands authority to increase its collection-only rates in Order 2005-168 (ORS Response paragraph 3)

3. In spite of the fact that the proceedings before this Commission granting Midlands its collection-only charge (Docket No. 2001-380-S) and increasing that collection-only charge (Docket No. 2004-297-S) were preceded by due notice approved by this Commission, ORS argues that Midlands must now further notify its customers in detail beyond its billing notices of the change in rates prior to implementing the rates approved pursuant to SC Code §58-5-240.

4. Midlands' has provided its customers the notice required by law. South Carolina Public Service Commission Regulation R103-532 requires Midlands to notify its customers of the lawful rate charged. In addition, Midlands acknowledges that its billing for collection-only service must state separately Midlands' collection-only charge and the customer's pro rata share without mark up of the treatment charge from its treatment only provider. In so doing, Midlands has provided its customers notice of its intention to charge its collection-only charge and pass through the treatment charge from the treatment-only provider. Midlands is informed and believes that the ORS has no objection to Midlands' billing.

5. In point of fact, ORS did not raise the issue of notice until it received a single complaint from a Midlands' customer who received a billing which properly stated separately the collection only charge and treatment charge.

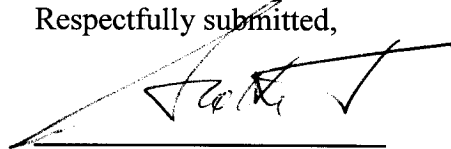
6. Midlands has properly billed its customers a lawful rate under its tariff. To now impose upon Midlands any further notice or rate case requirements would unfairly burden it with unrecoverable financial expenses.

7. This Commission has granted Midlands until October 6, 2005, to implement all new rates established under Order No. 2005-168, and Midlands has endeavored to comply with this Commission's directive by implementing the approved rates.

8. Midlands would respectfully submit that having met all noted requirements in Docket No. 2004-297-S, it may now implement all lawful rates provided for by this Commission in Order No. 2005-168.

WHEREFORE, having fully replied to the Response of the Office of Regulatory Staff herein, Midlands Utility, Inc. would hereby pray for a Declaratory Order of this Commission holding that Midlands is and was authorized, under its existing schedule of rates approved by this Commission, to begin charging its collection-only rates to those customers whose wastewater is treated by other treatment providers and to pass through to those customers the rates charged by the respective treatment-only providers on a pro rata basis without markup.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Scott Elliott', is written over a horizontal line.

Scott Elliott
Charles H. Cook
ELLIOTT & ELLIOTT, P.A.
721 Olive Street
Columbia, South Carolina 29205
(803)771-0555

September 26, 2005

CERTIFICATE OF SERVICE

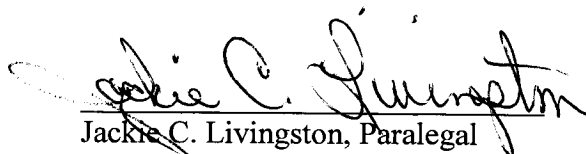
The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the Reply to Response of Office of Regulatory Staff on behalf of Midlands Utility, Inc., indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked and electronic mail on the date indicated below:

RE: Midlands Utility, Inc.

PARTIES SERVED: Florence P. Belser, Esquire
ORS
P. O. Box 11263
Columbia, SC 29211

Wendy B. Cartledge, Esquire
ORS
P. O. Box 11263
Columbia, SC 29211

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Jackie C. Livingston, Paralegal

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